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Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of the Bridgeton Contract License Office

Background	The Department of Revenue has appointed 183 contract agents to operate contract license offices. These offices issue driver licenses; titles for motor vehicles, trailers, and marine craft; and license plates. Contract agents are compensated through transaction-based processing fees. Under a state law which became effective in 2009, the State Auditor may audit contract license offices.
Accounting Controls and Procedures	The Bridgeton contract license office did not always accurately record the method of payment (cash, check, or credit card) and did not reconcile the composition of monies received to deposits. Department of Revenue official procedures provide that the composition of monies received should be reconciled to the accounting records and deposits.
Federal Indictment	A former employee of the Bridgeton contract license office and three associates were indicted by a federal grand jury for providing driver licenses and non-driver identification cards to illegal aliens. Once license office management became aware of the fraudulent activities, it contacted the Department of Revenue, which began an investigation and contacted federal law enforcement officials. License office management has since hired experienced staff and conducted additional employee training, and is providing additional oversight and review.

In the areas audited, the overall performance of this entity was **Good**.\*

American Recovery and Reinvestment Act (Federal Stimulus)	The Bridgeton contract license office did not receive any federal stimulus monies during the audited time period.
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\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.